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Prior Year Payroll Payments Policy

Effective: July 1, 2004
Last Updated: November 1, 2006

Executive Summary

Prior year payments are authorized expenses that were incurred in a prior fiscal year but the Department did not recognize that these expenses were incurred or the expenses were recognized after the end of the accounts payable period.

Prior year payroll is a Department's payroll that is to be paid out of the Comptroller's prior year account in the current or prior fiscal year. Department's current fiscal year account is charged back by the Office of the Comptroller in order to support the expenditure.

Considerations

This policy applies to all Commonwealth Branches and Departments.

Policy

Examples of Prior Year Payments

Listed below are examples of prior year payroll payments that are usually errors (failure to act) on the part of the Department, discovered at a later date through an audit or as raised by an employee or supervisor:

- Neglected to award a step increase based on employee's anniversary date;
- Calculated a promotion incorrectly;
- Used the wrong salary chart to calculate an annual pay increase;
- Didn't pay overtime when it was earned;
- Didn't pay vacation cash out to a terminated employee.

Information Sources

Procedure

- Job Aid: Procedures for Payment of Prior Year Deficiencies

Legal Authority

- M.G.L. c. 7A §§ 3, 7, 8
- M.G.L. c. 29 §§ 26, 27

Contacts

- CTR Solution Desk